

University Of Alberta



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# Our future

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## Our future together

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# together

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1994-1995





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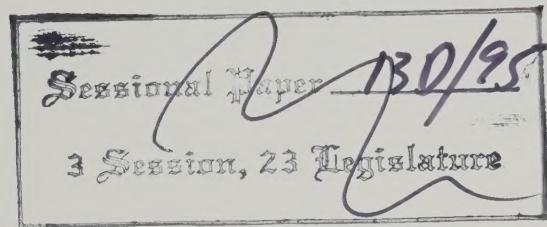
# Our future

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## Our future together

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# together



*By 2005, the University of Alberta will be the leading Canadian university and a major international university in a select number of teaching and research areas.*

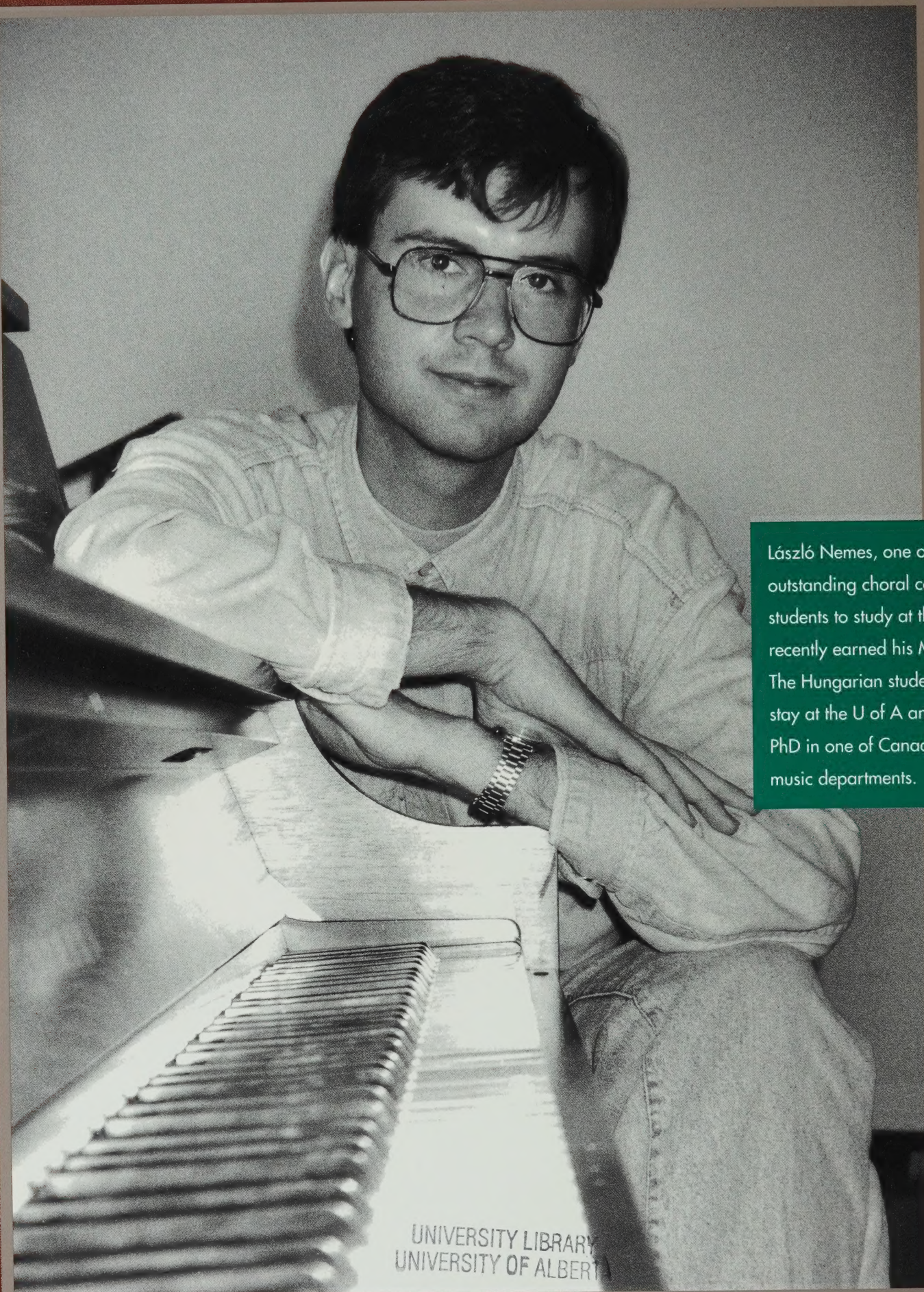
The University of Alberta will be the university of choice of:

- some of the most qualified undergraduate students in Alberta and in Canada;
- the best scholars and graduate students in Canada, and some of the best scholars and graduate students in the world;
- employers of university graduates.

And, we will be a highly respected university for the discovery and the dissemination of knowledge to local, national, and international communities.

Our vision is not merely a noble dream. It is a future we can see ... and will realize.





László Nemes, one of the most outstanding choral conducting students to study at the U of A, recently earned his Master's degree. The Hungarian student plans to stay at the U of A and earn his PhD in one of Canada's finest music departments.



# Student

## Student achievement

# achievement

Students are the heart of the University. We are proud of them. They've worked hard and, along with our top teachers and researchers, enhanced the University's solid reputation for academic excellence.

This year, for example, graduating law student Natasha Affolder will wear her U of A sweatshirt proudly around Oxford University, England. The Rhodes Scholar plans to study international law.

Engineering students once again captured automotive accolades by winning the annual Northern American hybrid electric vehicle challenge to design a car that runs on both gasoline and electricity. It's the second time in the competition's three-year history the U of A has walked away with top honours.

The team of Dave Burton and Monika Ulagaraj won the national debating championship at the 11th Annual Canadian Engineering Competition. Burton and Ulagaraj, who brought the title to the U of A for the first time, argued that the government has no place being involved in the private sector.

St. Paul senior Helen Johnson proved age is no barrier to studying at the U of A, earning a Bachelor of Education degree at the age of 79.

Sean Caulfield's print "Below the Surface...Memory #2" got the judges' nod at the international 21st Century Prints competition in Japan. He was awarded 1.5 million yen (about \$24,000 Cdn) in prize money.

The U of A Range Team, made up of students in the Faculty of Agriculture, Forestry, and Home Economics, placed first on the Undergraduate Range Management Exam in Phoenix, Arizona. They recorded the highest score ever achieved in the competition which began more than a quarter century ago.

And 20 dedicated students living in Fort McMurray managed to balance the demands of University education, work and family life, by earning Master of Business Administration degrees. These students graduated from a unique collaborative MBA program given by the U of A in Fort McMurray and sponsored by Syncrude Canada Ltd.

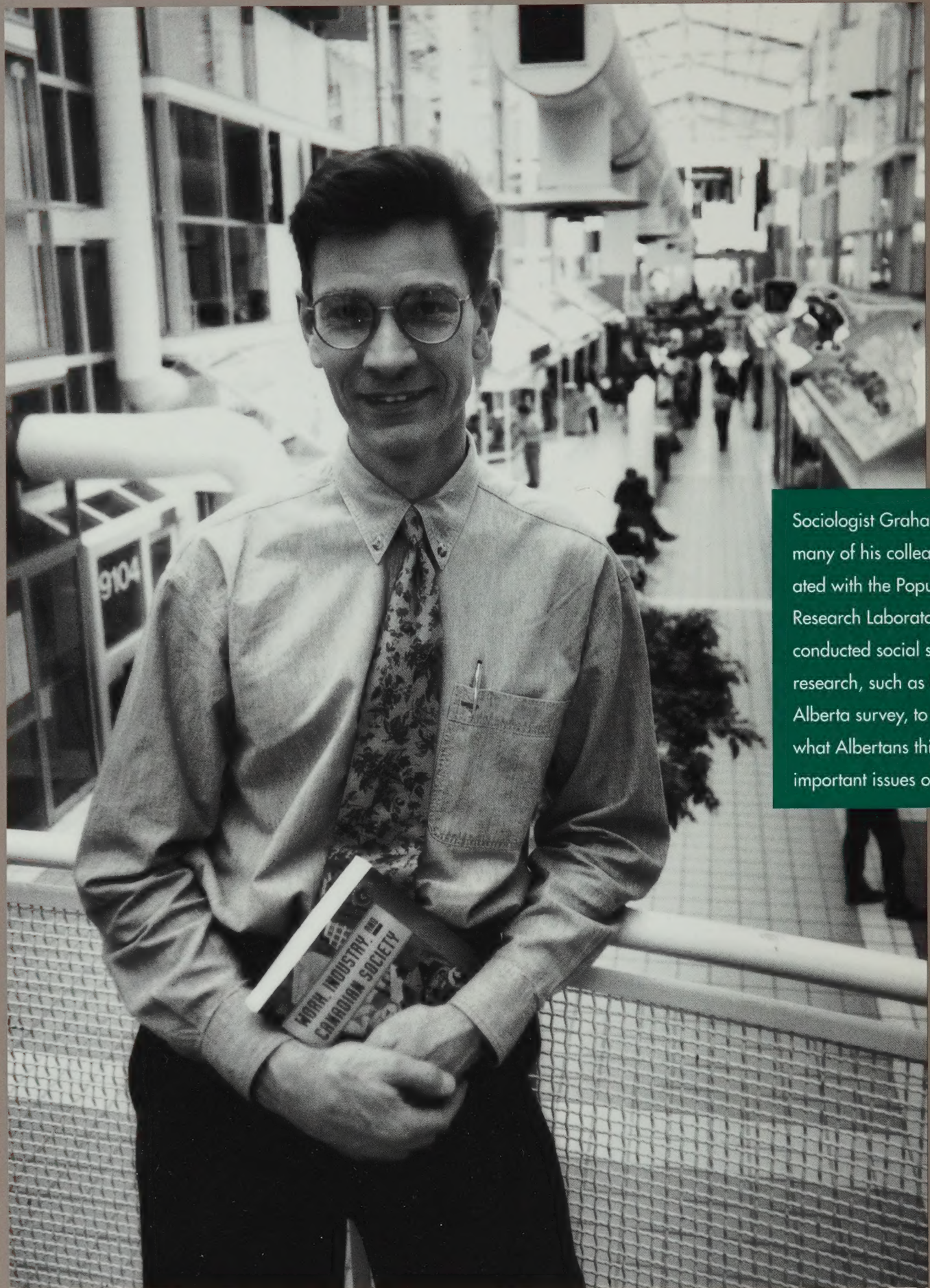
Three chemistry students returned from the annual undergraduate chemistry conference with top honours in three categories.

And finally, graduate students earned their share of national agencies' grants, scholarships and bursaries, proving once again the U of A's graduate students are among the best and the brightest in Canada.



The Panda's volleyball team captured the Canadian Interuniversity Athletic Union title. The Bear's basketball team, not to be outdone, captured its second consecutive national title.





Sociologist Graham Lowe, and many of his colleagues associated with the Population Research Laboratory, have conducted social science research, such as the annual Alberta survey, to determine what Albertans think about the important issues of the day.



# The learning environment

In response to the community's changing needs and our own fiscal realities, and to provide increased learning opportunities for more than 29,000 students\*, the U of A introduced new programs, merged some programs and modified existing programs.

In the Faculty of Science, for example, we've created new Bachelor of Science degree programs with honours and specialization in the biological sciences, in response to employers' and students' needs.

The new three-year Bachelor of Fine Arts Program in Technical Theatre will prepare graduates for management positions in theatre, film and television.

We've made changes to the Master of Business Administration degree program. The Faculty of Business surveyed people in the private sector and alumni to determine where it could make program improvements. Business leaders across the province told the Faculty they needed graduates who can handle complex problems in a way that better integrates the theory from areas such as marketing, finance and accounting.

We've also taken a closer look at interdisciplinary programs. One example: Business has joined with the faculties of Education, Medicine, and Physical Education and Recreation to offer joint master's degrees in educational administration, health services administration, and leisure and sport management. And it's now much easier to do interdisciplinary graduate studies—both on this campus and in collaboration with the University of Calgary.

The University has also strengthened its links with other provincial colleges and technical institutes. This year, for example, the U of A will launch a Bachelor of Education program with Grande Prairie Regional College, so students can earn a U of A degree without having to leave Grande Prairie.

Two new interactive videoconferencing classrooms were developed, providing our students with the ability to take courses from similarly equipped sites around the world. Moreover, our own professors are now able to teach students in sites as near as the University of Calgary or as far away as the other side of the globe. This year an engineering course not offered at U of C was taught on the U of A campus and broadcast simultaneously at the U of C.

Students sought more input into their education. The U of A responded, establishing universal student ratings of instruction and making them available to students, thus becoming more accountable.

\* Winter Session, full-time 25,362, part-time 3,816.



The Bachelor of Design degree program will provide four new pathways to the job market: business and marketing, engineering with business and marketing, printmaking, and computing science. These changes will enable us to remain North American leaders in the field, and allow the Department of Art and Design to attract the best and the brightest students in the country.





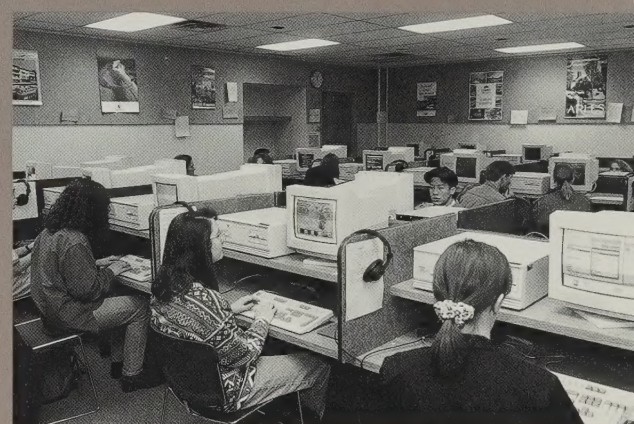
Law graduate Natasha Affolder is the University of Alberta's latest recipient of a Rhodes Scholarship. She will study international environmental law at Oxford.



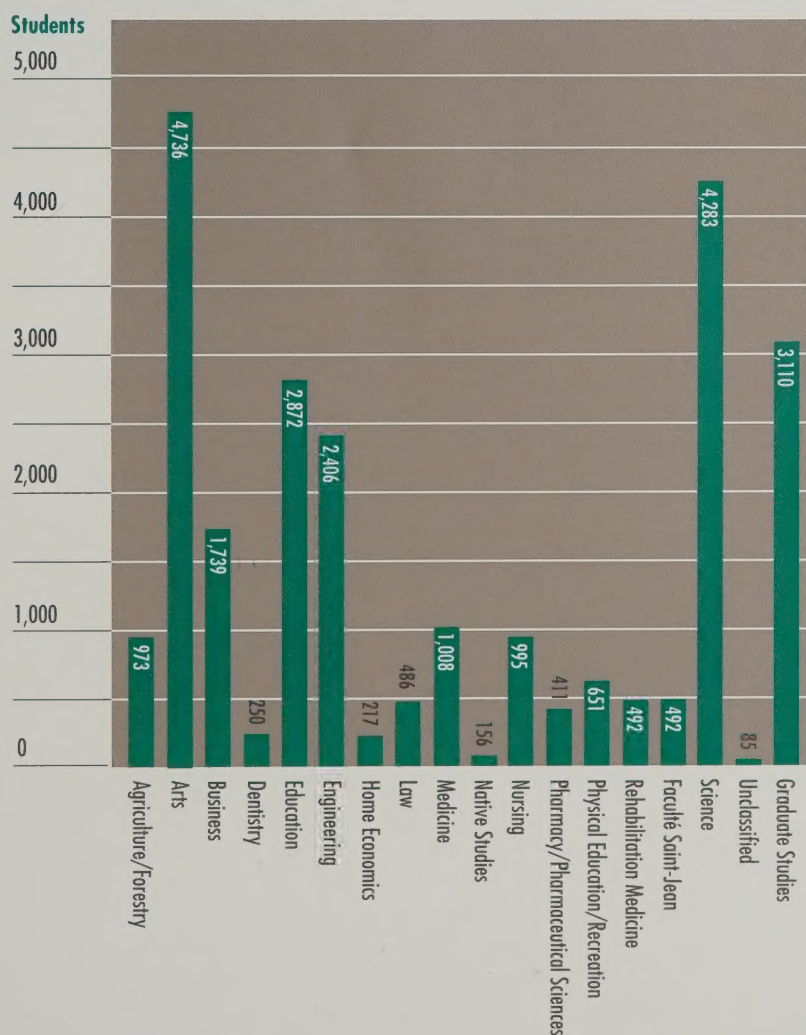
# The learning environment

Our professors continued to be recognized for their outstanding teaching. Many were honoured with national and international teaching awards. Law professor David Percy recently received the Weir Foundation Award for superior ability, dedication and outstanding merit as a teacher of law in Canada. Jim Vargo, in the Faculty of Rehabilitation Medicine, was named 1994 Canadian Professor of the Year by the United States-based Council for the Advancement and Support of Education. And the U of A is in second spot among Canadian universities, with 13 professors who have earned the prestigious National 3M Award for Teaching Excellence.

We continued to develop our on-ramp to the information highway, installing a fibre-optics cable backbone that will soon connect every building on campus to the World Wide Web. Opened this year to great fanfare, our new videoconferencing facilities will enable our institution to buy and sell the best courses in the world.



A new computer-assisted language learning centre offers students at the U of A the most up-to-date technology and teaching methods for learning languages.

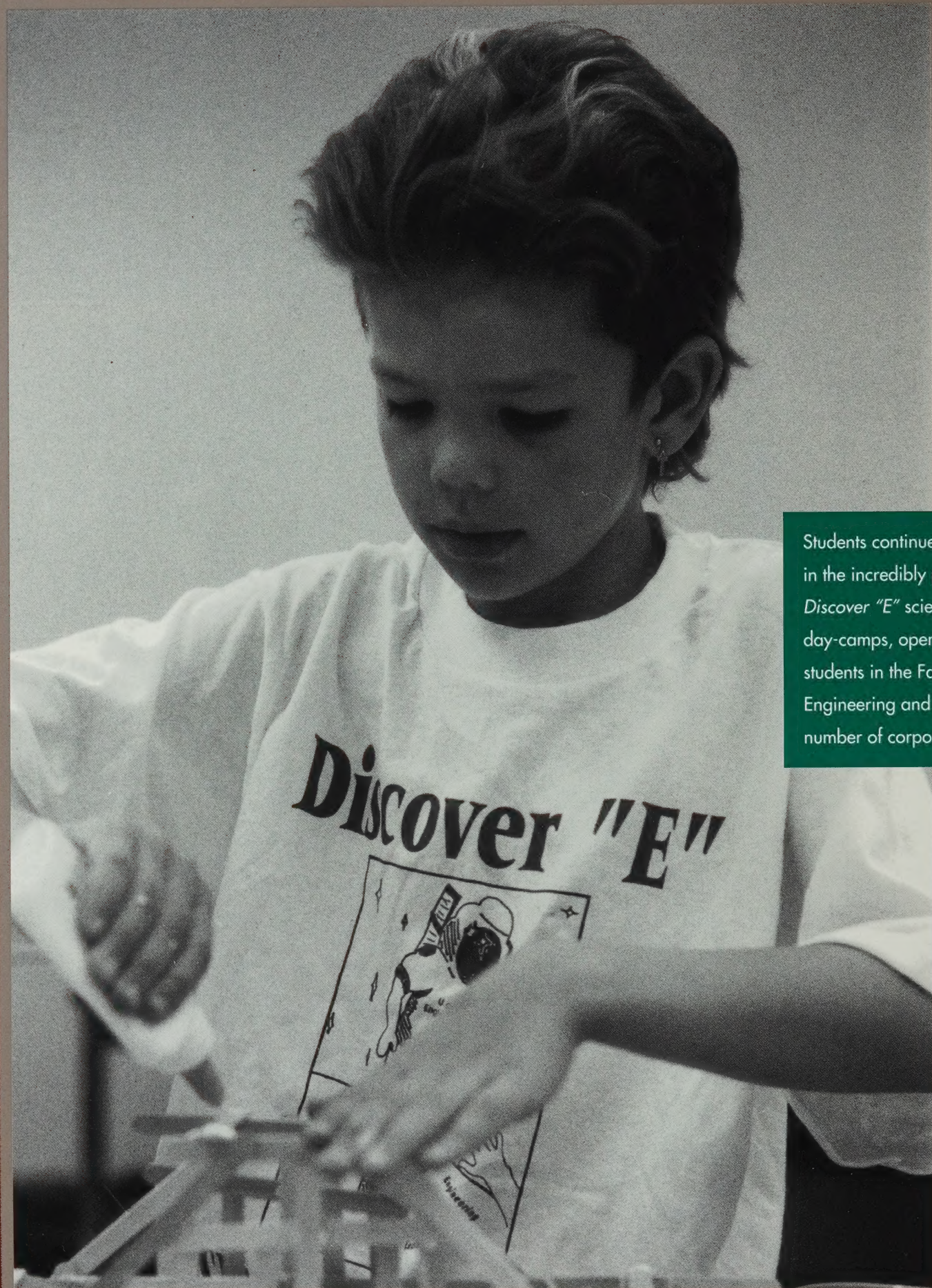


## Where students are enrolled

Winter Session 1994-95

Full-time students





Students continued to enrol in the incredibly popular *Discover "E"* science day-camps, operated by students in the Faculty of Engineering and backed by a number of corporate partners.



# Serving

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## Serving the community

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# the community

Serving the community continued to be of paramount importance, and we explored new ways of fulfilling that commitment.

We established the new Myer Horowitz Institute, named after a former U of A president, to provide a forum for discussion of educational alternatives, advances and trends.

Our Vice-President (Research and External Affairs), Martha Piper, was appointed to the National Advisory Board on Science and Technology that advises the Prime Minister on federal government policy directions and national issues related to science and technology.

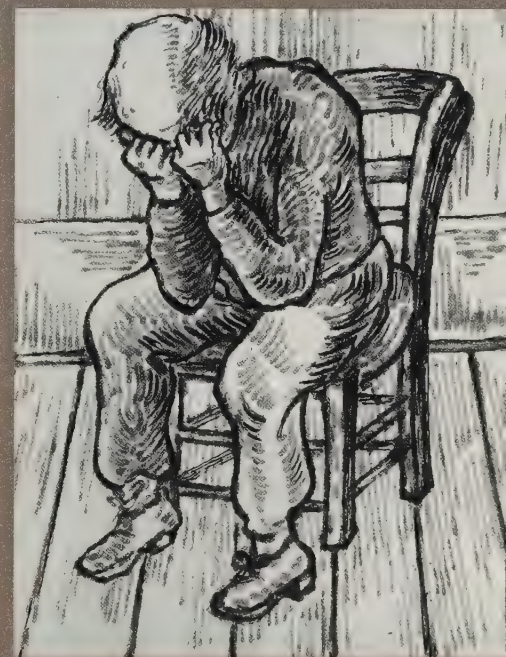
The U of A led the development of Canada's first Institute of Pharmaco-Economics, which will evaluate the costs and benefits of new drugs.

*Eyes on Alberta*, a week-long, province-wide media project, focused public attention on how Albertans are coping with changes resulting from the provincial government's battle with the deficit. The project was initiated by the University of Alberta in collaboration with the *Edmonton Journal*, *Calgary Herald*, CBC Radio and TV.

Academic staff continued to offer advice to the Capital Health Authority as it charts its way through profound changes in the health care field. Other U of A experts were enlisted to provide the premier with advice on the province's response to events taking place in Quebec. And U of A economists sat down with the provincial treasurer to discuss the merits of performance measures.

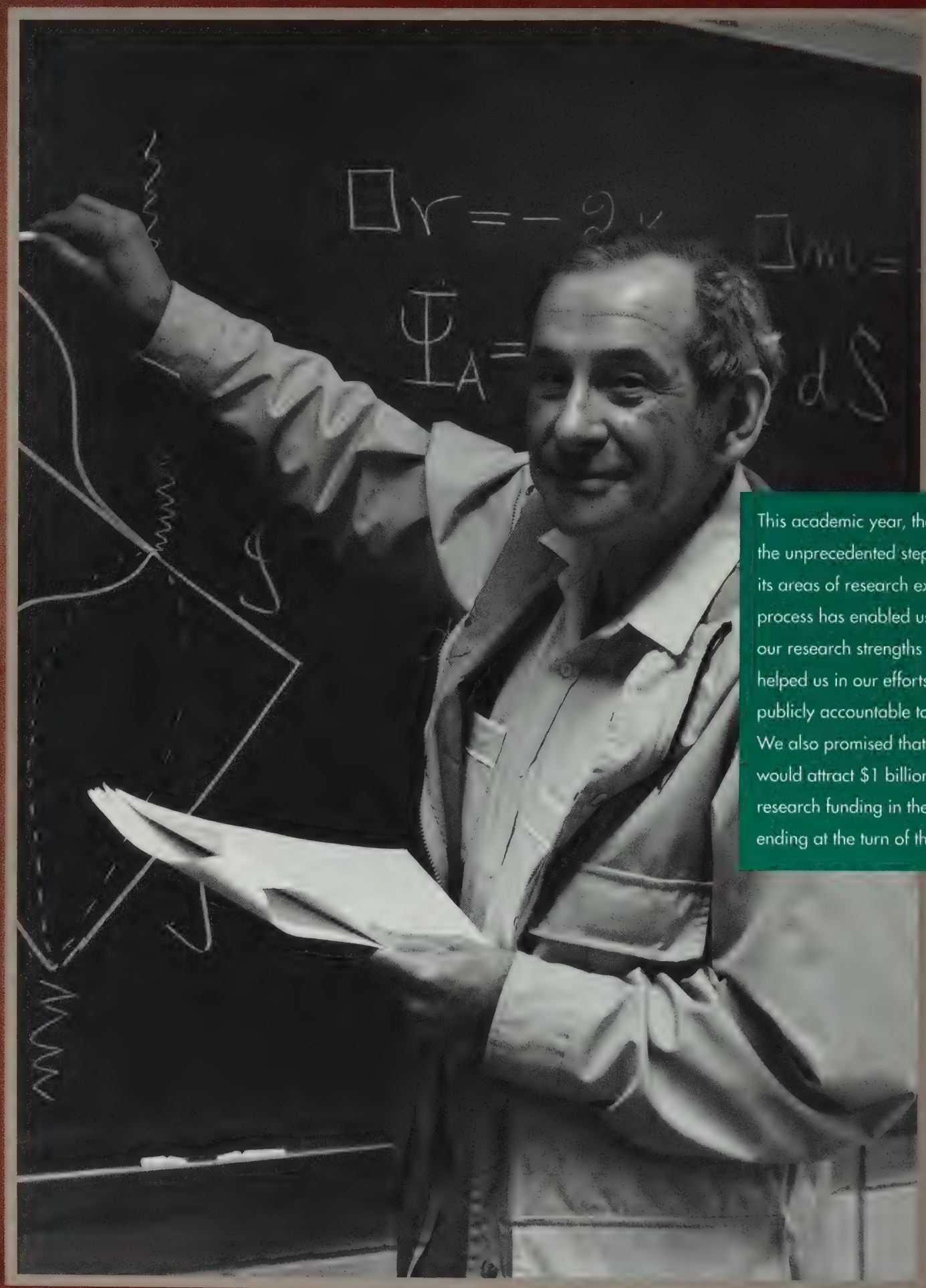
Our service to the community also extended beyond Canadian borders. Career and Placement Services director Wendy Coffin helped establish a career and job centre at the University of Kiev-Mohyla Academy in Ukraine with federal funding assistance from the Canada Ukraine Partners program (CUP).

Recognizing the value Edmontonians and Albertans place on the arts, the U of A established the new Centre for Ethnomusicology, which will offer audio and video recordings of ethnic and folk music and allow people to explore the relationship between music and culture.



This fall, the U of A sponsors a major art exhibition for Albertans, *Rubens to Picasso—Four Centuries of Master Drawings*.





This academic year, the U of A took the unprecedented step of identifying its areas of research excellence. This process has enabled us to celebrate our research strengths and has helped us in our efforts to be more publicly accountable to Albertans. We also promised that the U of A would attract \$1 billion in external research funding in the decade ending at the turn of the century.



# Research

## Research Makes Sense

**R**esearch makes sense. And it's increasingly becoming one of this province's most important industries. As the largest research institution in Alberta, the U of A is an integral part of that enterprise.

It's been a good year for our researchers. For example, the federal government's Social Sciences and Humanities Research Council awarded \$1.5 million to a research team centred in our Faculty of Arts, for novel approaches to the study of literature. In medical research, the pharmaceutical giant Glaxo Canada Inc. contributed \$2.6 million over the next three years to back our researchers' work to combat AIDS and hepatitis B. The Glaxo Heritage Research Institute opened to great fanfare, prompting Premier Ralph Klein to remark: "The Institute is a model of business, science and the community working together." The Alberta Heritage Foundation for Medical Research continues to play a crucial role in recruiting and supporting new investigators who contribute to Alberta's reputation as one of North America's leading medical research centres. Major advances in our Faculty of Science include the acquisition of several pieces of sophisticated major equipment by successful competition at the Natural Sciences and Engineering Research Council (NSERC). Our biologists have begun massive collaborative undertakings with the forest industry to identify new ways to harvest Alberta's northern forest with minimized impact on the wildlife and people who live there. Six new collaborative grants from NSERC were awarded to research teams at the U of A. About \$1.5 million will be awarded over three years to teams of researchers in Chemistry, Biological Sciences, Biochemistry and Electrical Engineering.

These are a few highlights of a year of achievement and growth. Overall external funding for our research totalled \$94.5 million last year. Over the past two years, research sponsorship at the U of A increased by 17 per cent. This external support provides jobs for about 1,800 people who work on research at the U of A and earn more than \$50.5 million in salaries, thus indirectly creating another 3,500 jobs locally. It is estimated that more than 50 new direct and indirect jobs are generated with every one per cent increase in sponsored research. Forty-three new companies have been established on the strength of U of A research, creating an additional 850 direct and 1,600 indirect jobs.

And our Industry Liaison Office is now one of the most effective in Canada, facilitating transfer of new discoveries and technologies from the research lab to the marketplace and building bridges between industry and U of A researchers. Research makes sense.



Premier Ralph Klein was on hand earlier this year for the opening of the Glaxo Heritage Research Institute. Its staff will conduct world-class research on hepatitis B and AIDS.







# Our future together

## Serving Alberta, Canada and the world

The University of Alberta is one of Canada's finest universities.

We are committed to providing outstanding education for students, conducting world-class research and serving the community.

We are looking for ways to balance new, rapidly changing technologies with more traditional methods of instruction. We are working to ensure our students get a significant international experience that prepares them for the global economy. And we are finding ways to become more accessible. Albertans have high expectations of the U of A, and we have high expectations of ourselves.

We have a plan for meeting those high expectations.

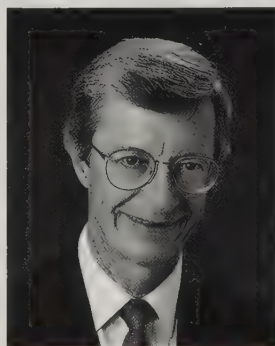
We are focusing relentlessly on quality—on our learning environment, administrative systems, and research and scholarship. Second, we are evaluating our performance constantly to determine how well we are doing. Third, we are relying more heavily on a multidisciplinary approach to seek answers and solve problems. Fourth, we are giving our people the responsibility, authority and means to get the job done. Fifth, we are being selective in what we do, and building on those things we do extraordinarily well. And finally, we are developing and strengthening partnerships with industry, government and the province's other postsecondary institutions.

We know we can't do it alone.

Our future is together.



John Ferguson  
*Chairman*  
*Board of Governors*



Lou Hyndman  
*Chancellor*



Rod Fraser  
*President*



## University Officers

<i>Chairman, Board of Governors</i> John Ferguson	<i>Vice-President (Academic)</i> John McDonald (to June 30 1994)
<i>President and Vice-Chancellor</i> Paul Davenport (to June 30 1994)	<i>Acting Vice-President (Academic)</i> Roger Smith (from July 1 1994)
<i>Acting President and Vice-Chancellor</i> John McDonald (from July 1 1994 to December 31 1994)	<i>Vice-President (Finance and Administration)</i> Glenn Harris
<i>President and Vice-Chancellor</i> Rod Fraser (from January 1 1995)	<i>Vice-President (Research)</i> Martha Piper
<i>Chancellor</i> Lou Hyndman (from June 14 1994)	<i>Vice-President (Development and Community Affairs)</i> John McConnell (to December 31 1994)

## Board of Governors

<i>Chairman</i> John Ferguson	Lennard Leibel
<i>Acting Chair</i> Sandy Mactaggart (to May 4 1994)	Ed Makarenko
<i>Vice-Chairs</i> Elmer Brooker Graham Lock	Don Mazankowski
Paul Davenport <i>President to June 30 1994</i>	Anita Moore
John McDonald <i>Acting President from July 1 1994 to December 31 1994</i>	Mary O'Neill (to June 15 1994)
Rod Fraser <i>President from January 1 1995</i>	Betty-Anne Pearson
Ron Bercov	Tom Powrie (to July 31 1994)
Gary Faulkner	Penny Reeves
Terence Filewych (to April 30 1994)	Robert Rosen
Bill Grace (to June 30 1994)	Suzanne Scott
Lou Hyndman <i>Chancellor from June 14 1994</i>	Tom Shields
Kim Krushell	Grant Smith
Sasha Krstic	Paul Wacko
	<i>External members</i>
	Gary Acheson*
	Ted Allan*
	Ed Hahn*
	Lloyd Malin^
	Ian Morris* **
	*Audit Committee
	^Community and Government Affairs Committee
	**Finance and Property Committee

## Deans

<i>Agriculture, Forestry, and Home Economics</i> Edward Tyrchniewicz	<i>Engineering</i> Fred Otto (to June 30 1994)	D Lorne Tyrrell (from October 1 1994)
<i>Arts</i> Patricia Clements	David Lynch (Acting Dean from July 1 1994)	<i>Nursing</i> Marilynn Wood
<i>Business</i> Rodney Schneck	<i>Extension</i> Dennis Foth	<i>Pharmacy and Pharmaceutical Sciences</i> Richard Moskalyk
<i>Dentistry</i> Norman Wood (from April 1 1994 to June 30 1994)	<i>Faculté Saint-Jean</i> Jean-Antoine Bour	<i>Physical Education and Recreation</i> Art Quinney
Henry Dick (Acting Dean from July 1 1994)	<i>Graduate Studies and Research</i> Murray Gray	<i>Rehabilitation Medicine</i> Albert Cook
<i>Education</i> Harvey Zingle	<i>Law</i> Tim Christian	<i>Science</i> Richard Peter
	<i>Medicine</i> Doug Wilson (to September 30 1994)	<i>Dean of Students</i> Jim Newton

## Senate

<i>Chancellor</i> Lou Hyndman (from June 14 1994)	Anthony Fisher	Eric McCuaig
Gus Ahmed	Rodney Fong	Colin McDonald
Nizar Ahmed	Dennis Foth	John McDonald
Walter Allegretto	Rod Fraser	Louise Miller
Christina Andrews	Ollie Frost	Richard Moskalyk
Doris Badir	Shirley Graham	William Newbigging
Kenneth Balkwill	John Hanlon	James Newton
James Beckett	Brian Heidecker	Ronald Odynski
Larry Billings	Susan Hickey	Mary O'Neill
Stephen Black	Kenneth Hill	Allen Pearson
Sadrudin Boga	Audra Hollingshead	Betty-Anne Pearson
Jim Bond	Etienne Johnson	Richard Peter
Jean-Antoine Bour	Shashi Kalia	Mary Pemberton
Halia Boychuk	Bindi Karia	Desmond Rochfort
Elmer Brooker	Dale Karpluk	Robert Rosen
Peter Cahill	Kyle Kasawski	Walter Ross
Graham Cheeseman	Bernie Keeler	Sig Schmold
Judy Cosco	Annette LaGrange	Patrick Shirt
Michael Curry	Zaheer Lakhani	Bryun Sigfstead
Dan Daniels	Donald Lee	Roger Smith
Paul Davenport	Lennard Leibel	Patti Skocdopole
Catherine Dechaine	Deni Lorieau	Ben Steblecki
James Dempsey	Roy Louis	Dianne Storey
Arthur Denson	Sandy Mactaggart <i>Chancellor to June 13 1994</i>	Emily Sylvester
Phyllis Ellis	Lloyd Malin	Marina Verhoeven
Iris Evans	Pat Mash	Curt Vos
	Jennifer McAllister	Karen Wichuk

## Alumni Council

<i>President</i> W James Beckett	Elliot Gelfand	Deni Lorieau	Philip Ponting	Gary Steadman
Dan Allen	Margaret Johnson	Lloyd Malin	Bryun Sigfstead	Suzanne Scott
Christina Andrews	Yvon Laberge	Ward Niou	Grant Smith	Judith Sunley
Gerry Bolton	Donald Lee	Joanne O'Gorman	Bill Sharun	Liz Turnbull
	Graham Lock	Darwin Park	Rod Simpson	Maury Van Vliet
				Lucille Walter



## FINANCIAL HIGHLIGHTS

Consistent with the University's objective of providing more understandable financial statements as well as to conform more closely to the Canadian Institute of Chartered Accountants' proposed accounting standards for Not-For-Profit Organizations, the following modifications have been made to the 1994/95 statements.

- Current assets and liabilities have been segregated from other assets and liabilities to demonstrate the University's liquidity; that is, its ability to meet its obligations as they come due.
- The concept of Deferred Capital Contributions has been introduced as a new Balance Sheet category to disclose restricted contributions received for acquisition of capital assets. These amounts are recognized as income of the University on the same basis as the related assets are amortized to expense. This results in revenue being matched with the expense it was intended to fund.
- Our amortization policy has been changed to recognize the deterioration and obsolescence of a portion of the library collections. These are being amortized to expense over a ten year period.
- The University's accounting policy related to material economic interest in its related entities is now disclosed in Note 2.a.
- To accommodate the special request of the Provincial Treasurer the approved budget is presented in Note 10 for comparison with financial statement actuals.
- The reporting of Reserves in the Financial Statement Notes was seen to be inconsistent with the existence of an approximate \$50 Million consolidated deficit and therefore has been eliminated. At a departmental level however, significant amounts of carryover funds are available for expenditure in future years as illustrated below.

	1995	1994
Allocated for future expenditures		
General Operating	\$ 17,487	\$ 21,576
Ancillary Services	5,347	6,437
Capital	17,000	16,162
Departmental special purpose funds	21,237	15,899
	61,071	60,074
Staff Benefit Liabilities (Note 6)	(111,235)	(108,615)
Accumulated Deficit (Statement B)	\$ (50,164)	\$ (48,541)

As outlined above, the difference between the consolidated deficit and the total departmental reserves is the accrued long-term staff benefit liabilities. The most significant of these relate to the pension plans. The plan liabilities were transferred to the University by the Provincial Government last year, and are subject to a legislated plan which will see them funded before the middle of the next century.

The more significant changes to the University's operating results when compared to the previous year include the effect of the provincial government's three year deficit reduction program, whereby university support will be reduced by 20%. The 94/95 fiscal year funding cutback of 11%, applied to operating and capital support, resulted in grant reduction of almost \$30 Million. This was partially offset by increased success on the part of University researchers in garnering support from Federal Government agencies. The combined effect of an 11% tuition increase and an enrollment decrease of approximately 700 students was a net increase in tuition revenue of \$4 Million. A modest increase in donations and grants from various sources is evident and investment income increased by \$3 Million, primarily the result of improved market conditions. The \$7 Million drop in sales revenue is principally due to the privatization of Food Services.

In response to the substantial decrease in revenues the University reduced expenses by \$30 Million. This was accomplished principally in the areas of salaries and employee benefits through the elimination of positions and negotiated compensation reductions. The excess of revenue over expense was, for the most part, invested in the acquisition, replacement or upgrading of capital assets.



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**UNIVERSITY OF ALBERTA**  
**STATEMENT OF ADMINISTRATIVE RESPONSIBILITY**  
**FOR FINANCIAL REPORTING**

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The administration of the University is responsible for the preparation and for the integrity and objectivity of the accompanying financial statements and the notes thereto. The administration believes that the financial statements present fairly the University's financial position as at March 31, 1995 and the results of its operations for the year then ended.

The financial statements have been prepared in accordance with generally accepted accounting principles. Where alternative accounting methods exist, those deemed most appropriate in the circumstances have been chosen. Financial statements are not precise, since they include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

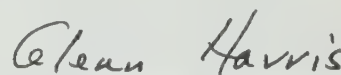
In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements. The integrity of internal controls is reviewed on an ongoing basis by the Internal Audit Department.

The Board of Governors carries out its responsibility for review of the financial statements principally through its Audit Committee. The majority of the members of the Committee are not officers or employees of the University. This committee meets regularly with administration and with external and internal auditors to discuss the results of audit examinations and financial reporting matters. The external and internal auditors have full access to the Board Audit Committee with and without the presence of the administration. The Board of Governors of the University of Alberta has approved the financial statements.

The financial statements for the year ended March 31, 1995 have been audited and reported on by the Auditor General for the Province of Alberta whose report outlines the scope of his audit and presents his opinion on the financial statements.



Roderick Fraser  
*President*



Glenn Harris  
*Vice President*  
( Finance and Administration )

June 30, 1995



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## AUDITOR'S REPORT

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ALBERTA LEGISLATURE

OFFICE OF THE AUDITOR GENERAL

To the Board of Governors of  
The University of Alberta

I have audited the statement of financial position of The University of Alberta as at March 31, 1995 and the statements of revenue and expense and changes in unexpended net assets and changes in financial position for the year then ended. These financial statements are the responsibility of the University's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

*Peter Valente*

FCA  
Auditor General

Edmonton, Alberta  
June 6, 1995



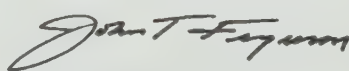
# STATEMENT OF FINANCIAL POSITION

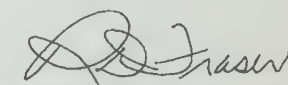
AT MARCH 31, 1995

(IN THOUSANDS OF DOLLARS)

	1995	1994 (Restated) (Note 3)
<b>ASSETS</b>		
Current:		
Cash and short term deposits	\$ 115,704	\$ 144,094
Accounts receivable	24,953	21,461
Accrued interest	2,397	1,651
Inventories	4,789	4,956
Other assets	3,482	3,944
	<u>151,325</u>	<u>176,106</u>
Investments (Note 4)	184,838	155,194
Capital assets (Note 5)	572,944	563,746
	<u>\$ 909,107</u>	<u>\$ 895,046</u>
<b>LIABILITIES AND DEFERRED CAPITAL CONTRIBUTIONS</b>		
Current:		
Accounts payable and accruals	\$ 27,287	\$ 29,588
Current portion of staff benefit liabilities (Note 6)	24,502	28,177
Current portion of long-term debt (Note 7)	1,993	2,048
Deferred contributions (Note 8)	47,242	53,473
Other deferred revenue	4,459	4,774
	<u>105,483</u>	<u>118,060</u>
Long-term:		
Staff benefit liabilities (Note 6)	86,733	80,438
Long-term debt (Note 7)	35,571	37,766
	<u>122,304</u>	<u>118,204</u>
Deferred capital contributions (Note 8)	386,861	395,434
	<u>509,165</u>	<u>513,638</u>
<b>EQUITIES</b>		
Endowments (Note 9)	194,355	181,415
Equity in capital assets (Note 5)	150,268	130,474
Accumulated deficit	(50,164)	(48,541)
	<u>\$ 909,107</u>	<u>\$ 895,046</u>

Signed on behalf of the Board of Governors

  
Chairman of the Board

  
President

The accompanying  
notes are part of  
these financial  
statements.



**STATEMENT OF REVENUE AND EXPENSE AND CHANGES IN ACCUMULATED DEFICIT**  
**FOR THE YEAR ENDED MARCH 31, 1995**  
(IN THOUSANDS OF DOLLARS)

	1995	1994
		(Restated) (Note 3)
<b>Revenue:</b>		
Government sources	\$ 312,012	\$ 332,066
Credit course tuition and related fees	69,641	65,562
Donations and grants	30,110	28,649
Investment income	22,352	19,263
Sales of goods and services	77,467	84,674
	511,582	530,214
Amortization of deferred capital contributions (Note 8)	28,462	32,503
	540,044	562,717
<b>Expense:</b>		
Salaries	313,595	328,615
Staff benefits	54,850	65,233
Supplies and sundries	65,230	66,072
Utilities	16,689	16,117
Maintenance	15,158	15,649
Rentals	6,240	6,656
Travel	13,497	13,503
Interest	3,250	3,897
Scholarships	8,008	7,471
Capital assets amortization	43,207	44,276
Cost of goods sold and recovered	68,517	70,855
Cost recoveries	(90,236)	(90,294)
	518,005	548,050
<b>Excess of revenue over expense</b>	22,039	14,667
Allocation to equity in capital assets	(20,050)	(15,609)
Allocation to endowments	(3,612)	(4,072)
<b>Accumulated deficit, beginning of year</b>	(48,541)	(43,527)
<b>Accumulated deficit, end of year</b>	\$ (50,164)	\$ (48,541)

The accompanying  
notes are part of  
these financial  
statements.



## STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 1995

(IN THOUSANDS OF DOLLARS)

	1995	1994
		(Restated) (Note 3)
<b>Cash provided from (used in) operating activities:</b>		
Excess of revenue over expenditure	\$ 22,039	\$ 14,667
Capital assets amortization charged to operations	43,207	44,276
Amortization of deferred capital contributions	(28,462)	(32,503)
Proceeds of disposal of capital assets	(469)	(751)
Net increase in non-cash working capital	(12,505)	(6,950)
	<u>23,810</u>	<u>18,739</u>
<b>Cash provided from (used in) investing activities:</b>		
Capital assets acquisitions	(53,019)	(54,949)
Purchases of investments, net	(29,644)	(15,607)
Proceeds of disposal of capital assets	469	751
Deferred capital contributions	20,296	29,079
	<u>(61,898)</u>	<u>(40,726)</u>
<b>Cash provided from (used in) financing activities:</b>		
Increase in staff benefit liabilities	2,620	11,563
Long-term debt – repayments	(2,250)	(1,681)
Contributions restricted for endowments	9,328	6,119
	<u>9,698</u>	<u>16,001</u>
<b>Decrease in cash and short-term deposits</b>	<b>(28,390)</b>	<b>(5,986)</b>
<b>Cash and short-term deposits, beginning of year</b>	<b>144,094</b>	<b>150,080</b>
<b>Cash and short-term deposits, end of year</b>	<b>\$ 115,704</b>	<b>\$ 144,094</b>

The accompanying  
notes are part of  
these financial  
statements.



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## NOTES TO THE FINANCIAL STATEMENTS

**MARCH 31, 1995**

(IN THOUSANDS OF DOLLARS)

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### 1. Authority and Purpose

The corporation "The Governors of The University of Alberta" operates under the authority of the Universities Act, Chapter U-5, Revised Statutes of Alberta, 1980. The mission of the University includes post secondary and graduate education, research and public service. The University is a registered charity and therefore is, under Section 149 of the Income Tax Act, exempt from payment of income tax.

### 2. Summary of Significant Accounting Policies and Reporting Practices

#### a. General

These financial statements have been prepared in accordance with the recommendations of the Canadian Institute of Chartered Accountants. The University records its economic interest in the revenues, expenses, assets and liabilities of all related entities.

#### b. Inventories

Inventories of merchandise and supplies are recorded at the lower of cost or net realizable value.

#### c. Investments

Investments are recorded at cost or amortized cost where applicable. Amortization of premiums and discounts are calculated on a straight-line basis from acquisition date to maturity. Gains or losses on sales of investments are recognized in the year of disposal or when there is permanent impairment in the value of an investment.

#### d. Capital Assets

All capital assets are recorded at cost as incurred. Gifts of capital assets in kind are capitalized at fair market value, as determined by expert appraisal. Capital assets amortization is recorded on a straight line basis over the assets' estimated useful lives, which range from 10 to 40 years for buildings and utilities, from 5 to 25 years for equipment and furnishings and 10 years for that portion of library materials which are not part of the University's permanent collections. Permanent collections include: that portion of library assets considered to have permanent value, museum specimens, archival materials, maps, and works of art.

Long-term leases that are effectively purchases are capitalized at the present value of the remaining lease payments, discounted at the rate implicit in the lease, and shown as long-term debt. Lease agreements where substantially all the benefits and risks do not accrue to the University are treated as operating leases and lease payments are expensed when made.

#### e. Recognition of Revenue

Operating grants are recognized when receivable. Revenues received for the provision by the University of goods and services are recognized in the period in which the goods are provided or the services rendered or substantially rendered.



**f. Deferred Contributions, Deferred Capital Contributions and Other Contributions**

Contributions restricted for purposes other than endowment or the acquisition of capital assets are deferred and recognized as revenue in the year in which the related expenses are incurred. Contributions restricted to the acquisition of capital assets having limited life are deferred and recorded as deferred capital contributions in the period in which they are expended. Deferred capital contributions are amortized to revenue over the useful lives of the related assets. Endowment contributions are recognized as direct increases in equity in the period in which they are received. Contributions restricted to the acquisition of non-consumable capital assets are deferred and recognized as direct increases in equity in the period in which they are expended.

**g. Sales of Goods and Services and Cost Recoveries**

Sales of goods and services are transactions with external entities. Cost recoveries are transactions between the various units within the University.

**h. Pension Liability and Expenditure**

The University and its eligible employees participate in either the Universities Academic Pension Plan or the Public Service Pension Plan. The University's pension liability is its portion of the pension plans' total unfunded pension liabilities, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portions are based upon the ratio of pensionable earnings of the University's employees to the earnings of all employees in each of the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

Pension expenditure includes pension obligations earned by employees during the year, interest on the unfunded pension liabilities, the amortization of deferred adjustments over the expected average remaining service life of employees, and the effect of the change in the ratio used to allocate the plans' total unfunded liabilities to participating entities.

**i. Contributed Services**

Volunteers as well as members of the staff of the University contribute an indeterminable number of hours per year to assist the institution in carrying out its service delivery activities. Such contributed services are not recognized in the financial statements.



### 3. Accounting Policy Changes

Prior to the current fiscal year the University recognized contributions restricted to the acquisition of capital assets as revenue of the period in which the assets were acquired. With retroactive effect the University has adopted the proposed recommendations of the Canadian Institute of Chartered Accountants whereby such contributions are deferred and amortized to revenue over the useful lives of such assets.

Prior to the current fiscal year the University did not record amortization on any portion of its library collections. With retroactive effect, the University has recognized amortization on that component of its library holdings having limited useful life, in accordance with the policy outlined in note 2.d.

The effect of the above changes in accounting policy on previously reported figures are as follows:

	1994 As Previously Reported	Deferred Capital Contributions and Amortization	Amortization of Library Collections	1994 As Restated
Capital assets	\$ 598,362	\$ -	\$ (34,616)	\$ 563,746
Deferred capital contributions	-	395,434	-	395,434
Equity in capital assets	560,524	(395,434)	(34,616)	130,474
Revenue - Government sources	349,307	(17,241)	-	332,066
Donations and grants	40,298	(11,649)	-	28,649
Investment income	19,452	(189)	-	19,263
Amortization of deferred capital contributions	-	32,503	-	32,503
Capital assets amortization	41,541	-	2,735	44,276
Allocation to equity in capital assets	(14,920)	(3,424)	2,735	(15,609)

The effect of the above changes in accounting policy is an increase of \$ 5,154 in the excess of revenue over expense for 1995.

### 4. Investments

	1995		1994	
	Cost	Market	Cost	Market
Marketable securities				
Government bonds	\$ 48,447	\$ 48,251	\$ 31,801	\$ 32,135
Corporate debentures	24,610	24,784	15,187	15,720
Common shares	89,685	136,614	83,584	119,194
	<u>162,742</u>	<u>\$ 209,649</u>	<u>130,572</u>	<u>\$ 167,049</u>
Other (not publicly traded)				
Long-term notes - endowment	5,904		6,320	
Mortgages	11,634		15,278	
Real estate	3,390		1,790	
Private placements	1,168		1,234	
	<u>22,096</u>		<u>24,622</u>	
	<u>\$ 184,838</u>		<u>\$ 155,194</u>	



## 5. Capital Assets and Equity in Capital Assets

	1995	1994
Buildings and utilities	\$ 724,255	\$ 704,056
Equipment and furnishings	352,357	340,977
Library materials	52,056	48,303
Total capital assets with limited life	1,128,668	1,093,336
Accumulated amortization	(627,860)	(597,096)
	500,808	496,240
Permanent collections – Library	50,912	46,413
– Other	15,923	15,792
Land	5,301	5,301
Capital assets, net book value	572,944	563,746
Deferred financing charges	697	746
Deferred capital contributions	(386,861)	(395,434)
Long-term debt related to capital expenditures	(36,512)	(38,584)
Equity in capital assets	\$ 150,268	\$ 130,474

## 6. Staff Benefit Liabilities

	Academic Staff	Support Staff	Total 1995	Total 1994
Pension plans (see below)	\$ 54,585	\$ 10,533	\$ 65,118	\$ 58,462
Vacation pay	9,879	9,345	19,224	19,953
Long-term disability leave plans	8,189	11,126	19,315	19,241
Retirement incentive programs	2,008	5,570	7,578	10,959
	74,661	36,574	111,235	108,615
Less current portion	11,905	12,597	24,502	28,177
	\$ 62,756	\$ 23,977	\$ 86,733	\$ 80,438

The University's share of the net unfunded past service liability of the Universities Academic Pension Plan, based on an actuarial valuation performed as at December 31, 1994 and extrapolated to March 31, 1995, is to be fully funded by December 31, 2043 through contributions by the University. The University's share of the net unfunded past service liability of the Public Service Pension Plan, based on an actuarial valuation performed as at December 31, 1993 and extrapolated to March 31, 1995, is to be fully funded by December 31, 2036 through contributions by the University. Current service obligations of both plans are to be fully funded by participating employees and the University. Contributions to fund both current and past service costs are determined by periodic actuarial valuation.



## 7. Long-term Debt

	Maturity Date	Interest Rate %	Amount Outstanding	
			1995	1994
Long-term notes held as endowment investments – car parks:				
Stadium and Windsor (a)	2003/07/01	11.500	\$ 2,046	\$ 2,172
Education (b)	2013/08/01	17.410	3,238	3,459
Stadium renovation	1996/07/01	11.750	620	689
Mortgages payable to CMHC:				
Lister residences	2014/07/01	5.125	2,237	2,304
Michener Park phase I	2018/04/01	5.875	3,512	3,582
MacKenzie Hall	2018/11/01	6.250	1,809	1,842
Michener Park phase II	2023/12/01	7.500	3,598	3,633
Pembina Hall	2011/06/01	10.375	394	404
Debentures payable, Province of Alberta:				
Housing Union Building	2008/06/01	7.186	4,099	4,279
South Field Car Park - AMFC	2014/11/01	10.250	1,880	1,909
Student Residences - AMFC	1996/02/01	11.000	191	364
Student Residences - AMFC	1996/08/15	10.250	735	1,052
Extension Centre - AMFC	2017/10/01	8.750	8,321	8,435
Extension Centre - AMFC	2002/10/01	7.875	856	931
Loan payable, Bank of Montreal:				
East Campus Housing	2008/08/01	7.340	2,731	2,846
Obligations under capital leases			245	683
Total long-term debt related to capital expenditures			36,512	38,584
Debentures payable, Province of Alberta:				
Students' Union Building (c)	1999/11/30	5.500	1,052	1,230
			\$ 37,564	\$ 39,814
Less current portion			1,993	2,048
			\$ 35,571	\$ 37,766

- Effective July 1, 1988, the note was restructured to reflect prevailing market rates. The loan principal was increased by \$ 947 and this amount was recorded as a deferred financing charge which is being amortized over the 15 year term of the note. The unamortized amount of the deferred financing charge at March 31, 1995 is \$ 697 (1994 - \$746).
- The annual payment of principal and interest includes a participation payment which is adjusted to reflect the difference between the current Consumer Price Index and the Index at the time of the original advance.
- The annual principal and interest payments are recovered from the Students' Union.

Anticipated requirements to meet the principal portion of long-term debt repayments over the next five years are as follows: 1996 - \$ 1,992; 1997 - \$ 1,759; 1998 - \$ 1,449; 1999 - \$ 1,567 2000 - \$ 1,693

## 8. Deferred Contributions and Deferred Capital Contributions

	Deferred Contributions				Deferred Capital Contributions
	Sponsored Research	Capital	Other Restricted	Total	
Contributions received	\$ 89,288	\$ 2,700	\$ 17,572	\$ 109,560	\$ –
Expenses	(70,368)	(120)	(14,826)	(85,314)	–
Transfers to unrestricted accounts	(8,410)	701	(2,472)	(10,181)	–
Capital acquisitions	(9,782)	(9,963)	(551)	(20,296)	20,296
Additions to permanent collections	–	–	–	–	(407)
Amortization – Deferred capital contributions	–	–	–	–	(28,462)
Increase (decrease) for the year	728	(6,682)	(227)	(6,231)	(8,573)
Deferred balances, beginning of year	31,823	10,452	11,198	53,473	395,434
Deferred balances, end of year	\$ 32,551	\$ 3,770	\$ 10,921	\$ 47,242	\$ 386,861



## 9. Endowments

Endowments consist of restricted donations to the University and internal allocations by the Board of Governors, the principal of which is required to be maintained intact. The investment income generated from endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. University policy has been established with the objective of protecting the real value of the Endowments by limiting the amount of income expended and reinvesting unexpended income. Endowments comprise the following:

	Opening Balance	Contributions	Earnings Capitalized	Closing Balance
Externally restricted	\$ 154,148	\$ 9,328	\$ 3,002	\$ 166,478
Internally restricted	27,267	–	610	27,877
	<u>\$ 181,415</u>	<u>\$ 9,328</u>	<u>\$ 3,612</u>	<u>\$ 194,355</u>

## 10. Budget Comparison

A Treasury Board Directive under the Financial Administration Act of the Province of Alberta requires Universities to disclose their annual approved budgets in their financial statements for years subsequent to 1994. The budgeting procedures and principles adopted by the University of Alberta address management and control issues which are not necessarily congruent with the general purpose reporting principles for Not-For-Profit Organizations under which these statements have been prepared. In order to permit a valid comparison to be made between these statements and the budget it has been necessary to recast certain elements of the published budget. Costs relating to capital assets, staff benefit liability accruals and certain other expenditures are dealt with in the budget on a cash flow basis whereas the financial statements follow accrual accounting principles. Neither capital assets amortization nor staff benefit liability accruals are elements of the Board approved budget and they have been added to the summary budget figures below. Similarly, revenue deferrals as well as the amortization thereof have been dealt with as adjustments to the budget.

Research and other trust funds must be used in accordance with the directions of external funding parties. Therefore, the Board does not exercise direct control over the expenditure of such funds and thus does not approve a budget for them. In order to avoid a large distortion in the absolute variances, the budget figures presented below include values equalling actual revenues and expenses for all research and other trust funds.

The following is Statement B summarized for comparison with the adjusted budget figures:

	Actual	Budget	Variance
Revenues:			
Government sources	\$ 312,012	\$ 312,069	\$ (57)
Tuition and other fees	69,641	71,841	(2,200)
Other revenues	129,929	128,990	939
	<u>511,582</u>	<u>512,900</u>	<u>(1,318)</u>
Amortization of deferred capital contributions	28,462	28,462	–
	<u>540,044</u>	<u>541,362</u>	<u>(1,318)</u>
Expenses:			
Salaries	313,595	308,766	(4,829)
Staff benefits	54,850	55,203	353
Supplies and other	106,353	102,359	(3,994)
Contingencies – before allocation	–	7,539	7,539
Capital assets amortization	43,207	43,207	–
	<u>518,005</u>	<u>517,074</u>	<u>(931)</u>
Excess of revenue over expense	<u>\$ 22,039</u>	<u>\$ 24,288</u>	<u>\$ (2,249)</u>



## 11. Salary Disclosure

A Treasury Board Directive under the Financial Administration Act of the Province of Alberta requires the disclosure of certain salary and employee benefit information.

	1995				1994	
	Number of Individuals	Salary	Benefits	Total	Number of Individuals	Total
President	1	176	18	194	1	209
Vice-Presidents:						
• Academic	1	137	15	152	1	158
• Finance and Administration	1	145	15	160	1	158
• Research	1	128	15	143	1	141
• Student and Academic Services (a)	1	23	4	27	1	104
• Development and Community Affairs (b)	1	106	9	115	1	146
Academic staff	3,188	167,029	28,984	196,013	3,370	204,855
(average 1995 – \$61,485, 1994 – \$60,788)						
Non-Academic staff	3,189	101,541	20,771	122,312	3,529	132,247
(average 1995 – \$38,354, 1994 – \$37,474)						
Non-salaried Staff	2,724	14,733	761	15,494	2,304	16,015
Students and graduate assistants	2,087	23,777	909	24,686	1,993	24,427
Increase (decrease) in staff benefit liabilities		(729)	3,349	2,620		11,563
		\$ 307,066	\$ 54,850	\$ 361,916		\$ 390,023
Early retirement and severance payments		6,529	–	6,529		3,825
		\$ 313,595	\$ 54,850	\$ 368,445		\$ 393,848

The Chairman and members of the Board of Governors, the Chancellor and members of the Senate and external members of the Board's standing committees receive no remuneration for the services that they provide to the University.

Salary includes regular base pay, overtime, sabbatical salaries, special leave with pay, supplements, honoraria and any other remuneration. Salary also includes vacation pay-outs: Academic \$ 96, (1994 - \$ 46), Non-Academic \$ 786, (1994 - \$ 480).

- The position was eliminated effective July 1994.
- The position was eliminated effective January 1995.

## 12. Contingent Liabilities and Commitments

The University is a defendant in a number of legal proceedings. Claims against the University in these proceedings, the total of which is substantial, have not been reflected in these financial statements. While the ultimate outcome of these proceedings cannot be predicted at this time, it is the opinion of management and the University's legal counsel that the resolution of these claims will not have a material effect on the financial position of the University.

Academic staff members are entitled to a professional expense allowance for expenses related to teaching, research, professional or general University duties. At March 31, 1995, approximately \$ 3,000 of such allowances are committed for expenses not yet incurred.

## 13. Donation Pledges

The estimated amount of donation pledges receivable of \$ 1,270 ( 1994 - \$ 2,267 ) is expected to be received over the next four years. The majority of these funds are designated by donors for specific purposes. These amounts have not been recorded in these financial statements since the amount to be received cannot be reasonably estimated nor is ultimate collection reasonably assured.

## 14. Comparative Figures:

Certain 1994 figures have been reclassified to conform to 1995 financial statement presentation.



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## **OUR FUTURE TOGETHER**

This year, for the first time in its history, the University of Alberta will publish a separate report to the community. The report also entitled "OUR FUTURE TOGETHER", will be published on newsprint and will be distributed to 400,000 Albertans. The tabloid version of "OUR FUTURE TOGETHER" was made possible because of the generous support of our sponsors and advertisers. We gratefully acknowledge the following organizations for their generosity, their interest, their partnership and for believing that our future is indeed together.

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